



SBA Procedural Notice

TO: All SBA Employees

CONTROL NO.: 9000-1736

SUBJECT: Streamlined Procedures for PLP-
EWCP Authority

EFFECTIVE: 3/17/2008

The U.S. Small Business Administration (SBA) is continuing to streamline its loan programs to enhance program efficiency and to improve customer service to its lending partners and the small business community. Preferred Lender Program (PLP) lenders are required to obtain separate authority from SBA to make Export Working Capital (EWCP) loans under PLP delegated authority, and sign a separate Supplemental Guaranty Agreement upon approval. The Offices of Financial Assistance (OFA) and International Trade (OIT) have concluded that authorizing PLP lenders to make PLP-EWCP loans nationwide will enhance small business exporters' access to capital, and that SBA's handling of requests by PLP lenders for PLP-EWCP status can be more timely and efficient. This Procedural Notice is intended to describe those processes whereby prospective lenders desiring SBA PLP-EWCP status may submit a request for such status. Additional information about applying for admission to the PLP-EWCP program will be contained in the next revision of SBA's SOP 50 10 5, Subpart A, Chapter 1. SBA is streamlining the procedures for PLP-EWCP authority and all PLP lenders seeking new PLP-EWCP status will receive nationwide PLP-EWCP geographic territory. All existing PLP-EWCP lenders received nationwide PLP geographic territory under SBA Procedural Notice 5000-989 (effective 5/2/2006).

Requests by PLP lenders for new PLP-EWCP authority should be initiated by contacting the Chief International Lending Officer, OIT, Washington, DC. Any requests for PLP-EWCP status that are received by SBA Regional or District Offices, U.S. Export Assistance Centers or Loan Processing Centers should be directed to the Chief International Lending Officer. As a general rule, to be eligible for PLP-EWCP status, lenders must have extensive and satisfactory export lending experience as determined by SBA.

Upon receiving notice of a PLP lender's interest in PLP-EWCP authority, the Chief International Lending Officer will compile information and aggregated data concerning the lender on a worksheet and will provide that worksheet to the SBA Senior International Trade and Finance Specialist(s) whose geographic territory fits within the "footprint" of a lender applicant for PLP-EWCP status soliciting their comments and recommendations about the lender's suitability for the PLP-EWCP designation. Comments concerning the request must be substantive and detailed, particularly if there is a recommendation against granting PLP-EWCP authority. Lack of activity in, or contact with, a field office or center is not considered a basis to object to a PLP lender's request. Additionally, the Chief International Lending Officer will solicit comments from the Export-Import Bank of the United States (Ex-Im) regarding the PLP lender's performance, if any, under Ex-Im's Working Capital Guarantee Delegated Authority lending

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SBA Form 1353.2 (12-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

program. Further, the Chief International Lending Office will request information from SBA's Office of Credit Risk Management (OCRM) regarding the lender's performance as a PLP lender.

A timely response is crucial to the expeditious processing of PLP-EWCP applications. As a result, the Senior International Trade and Finance Specialist(s) must return the worksheet to the Chief International Lending Officer within 10 business days. However, the Senior International Trade and Finance Specialist(s) may request additional time if unusual or extraordinary circumstances are evident regarding a particular lender's application.

The Chief International Lending Officer will analyze the PLP lender's information and its record as an SBA lender, as well as information obtained from the Senior International Trade and Finance Specialist(s), Ex-Im (if applicable), and OCRM. If deemed worthy of the PLP-EWCP status, the Chief International Lending Officer will recommend that the lender submit a formal application through a letter to the Director of the Office of Financial Assistance (D/OFA) with a copy to the Chief International Lending Officer. The Chief International Lending Officer will provide all collected lender information to the Director, Office of International Trade who, in turn, will provide all data and analyses on the recommendation to the Directors, OFA and OCRM. The D/OFA will render the final decision on PLP-EWCP applications for lenders with risk ratings of 1, 2, or 3, after consideration of the Chief International Lending Officer's analysis and recommendation and any other relevant information. For lenders with risk ratings of 4 or 5, the D/OCRM will render the final decision on PLP-EWCP applications.

If approved, the PLP lender will be granted PLP-EWCP status for the same time period as the lender's general PLP status; expiration and renewal dates of the PLP-EWCP status will coincide with the expiration and renewal dates for the lender's general PLP status. Renewals for lenders with PLP-EWCP authority will be considered by the Offices of International Trade, Financial Assistance, Credit Risk Management and the Sacramento PLP Center. Lender performance information will be collected and analyzed in the same manner as initial applications for PLP-EWCP authority.

OIT will provide training and assistance, as needed, to lenders on submitting EWCP loan packages to the Sacramento PLP Processing Center.

Questions concerning this notice should be directed to Patrick.Tunison@SBA.Gov; (202) 205-6426.

Luz Hopewell
Director, Office of International Trade